**DIRECTORATE OF DISTANCE EDUCATION**
**NALSAR UNIVERSITY OF LAW, HYDERABAD**

**P.G.DIPLOMA IN FINANCIAL SERVICES & LEGISLATIONS**

**Academic Year: 2019-2020**

**II Semester – Take Home End-Term Repeat Examination (November, 2020)**

# Paper III - 1.2.6- Merchant Banking & Investment Banking

**Instructions to questions:**

a) ***Please mention your name, ID No. and Subject name on the Answer Sheet.***
b) ***Clearly indicate the question numbers while answering them.***
c) ***Answer the below given questions. Each question is for 25 Marks.***
d) ***Answer very elaborately to each question with minimum 1000 (One Thousand) words.***
e) ***You may use graphs and charts. But they shall be clearly cited.***
f) ***You must cite the source of your information. (Annual report, web source etc.)***
g) ***Since this is a take home exam, we expect your answers to be analytical rather than straight answers.***
h) ***Cut and paste of any material either from reading material or from internet will result in rejection of answer-sheet, which means a failure with zero marks. No plagiarism.***
i) ***If answer of two students is similar, it will be presumed that both the students consulted each other and two answer sheets will be cancelled.***

**Answer the following Questions:** **TOTAL MARKS: 50**

1. The falling GDP numbers and the hard-hitting Covid situation have been a major cause of many economies. How will the capital requirement of the companies shape up on account of this situation and what channels are going to be leveraged by the companies to raise the capital? Present a detailed analysis with relevant examples. Later, based on your analysis highlight the business prospects for merchant and investment bankers in India.

2. What is the need for Development Finance Institutions to get into project financing? Have they been successful? Present a detailed analysis of your stance using relevant examples. Since project financing is a risky business, explain how Development Finance Institutions can mitigate or minimize their risk and what instruments/channels you suggest to minimize the risk? Explain in detail.